

*Approved by Decree No. 203 issued by
the President of the Azerbaijan Republic
on 25 December 2009*

**Regulations for the Antimonopoly Policy and Consumer Rights Protection
State Service of the**

Ministry of Economic Development of the Republic of Azerbaijan

I. General Provisions

1. The Antimonopoly Policy and Consumer Rights Protection State Service of the Ministry of Economic Development of the Azerbaijan Republic (hereinafter referred to as the service) is an executive body that ensures prevention, restriction and elimination of monopoly activities and unfair competition, state support for competition in the market of products and services (including financial services), as well as consumer rights and legitimate interests, and the implementation of state policy in this area, and exercises official control over compliance with antitrust (competition), advertisement and consumer rights protection laws, as well as with the norms and regulations regarding consumer trade, catering, consumer and other services.

2. The Service carries out its activities in accordance with the Constitution of the Azerbaijan Republic, the applicable laws of the Azerbaijan Republic, decrees and orders of the President of the Azerbaijan Republic, resolutions and orders of the Cabinet of Ministers of the Azerbaijan Republic, international agreements to which the Azerbaijan Republic is a party, Regulations of the Ministry of Economic Development of the Azerbaijan Republic, directives and orders issued by the Minister of the Economic Development of the Azerbaijan Republic and these Regulations.

3. The Service shall perform all functions and duties specified in these Regulations on the entire territory of the Azerbaijan Republic, both directly and with the assistance of its regional units.

4. In the performance of its duties the Service shall cooperate with other executive bodies and local municipalities, as well as with non-governmental agencies.

5. The Service shall have an independent balance of accounts, state property, treasury and bank accounts, as specified in the applicable laws, the right to use the coat of arms of the Azerbaijan Republic, the seal of the Ministry of Economic Development of the Azerbaijan Republic as well as its own seal, and various stamps and letterheads.

6. The costs of keeping the Service and carrying out its activities shall be covered by the state budget of the Azerbaijan Republic and the sources of funds indicated in the applicable laws.

7. The Service shall be located in the city of Baku.

II. The Service's areas of activities

8. The Service shall carry out activities in the following areas:

8.1. prevention, restriction and elimination of monopoly activities and unfair competition, development and promotion of competition, provision of recommendations concerning the development of a state policy for the protection of consumer rights and legitimate interests to the Ministry of Economic Development and ensuring the implementation of this policy within its powers;

8.2. exercising official control over the compliance with antitrust (competition), advertisement and consumer rights protection laws, as well as with the norms and regulations regarding consumer trade, catering, consumer and other services;

8.3. taking actions specified in the applicable laws in order to prevent and eliminate unfair competition and violations of consumer rights and their legitimate interests;

8.4. ensuring the taking of required actions to regulate the export of food products to the European Union countries;

8.5. carrying out other activities specified in the applicable laws and regulations.

III. Duties of the Service

9. The Service shall perform the following duties in the areas of activities specified by these Regulations:

9.1. to prepare drafts documents in order to ensure regulatory control regarding antitrust (competition), advertisement and consumer rights protection laws, as well as other areas or its activities;

9.2. to develop state programs and development concept projects regarding anti-monopolization, protection of competitive environment on the market, and well as consumer rights protection, and to ensure their implementation following adoption (approval) within its powers;

9.3. to take actions, within its powers, to promote and preserve competition and to ensure the development of business entities, small and medium enterprises that create a competitive environment;

9.4. to coordinate, within its powers, the activities of state agencies, municipalities and non-governmental organizations (public unions and funds) to prevent anti-competitive practices, preserve competition and protect consumer rights;

9.5. to exercise official control over the compliance of individuals and legal entities or their unions (hereinafter referred to as business entities) engaged in the manufacture, sale (purchase) of products, performance of works and provision of services (including financial services), irrespective of their type, as well as state agencies and municipalities with antitrust (competition) laws and regulations and to design and implement measures to prevent actions that lead or may lead to the restriction or elimination of competition, or damaging of consumer interests;

9.6. to take actions in order to detect violations of the antitrust (competition) laws, unfair business practices, unfair competition by market entities, to eliminate them, to restore the initial (competitive) situation on the market and to institute proceedings, in the prescribed manner, against those responsible for such violations;

9.7. to analyse competition on the commodity and financial markets on the basis of information on production and service volumes, import and export operations, as well as information obtained from other sources, in accordance with the applicable laws, and to determine whether business entities can be considered monopolies;

9.8. to grant permissions, in cases and in the manner specified in antitrust laws, to carry out such activities as the establishment, reorganization and closing down of business entities, state agencies and municipalities, as well as performance of agreements entered into by them, including the acquisition of the share of the authorized stock, in an amount specified by the applicable laws;

9.9. to take actions, in the prescribed manner, against those business entities that abuse their exclusive position, use restrictive business practices, limit competition and damage the interests of consumers by their activities;

9.10. to exercise control, in the prescribed manner, over the activities of financial and industrial groups, to eliminate faults in their operations and to take actions in order to institute proceedings against those responsible for violations of law;

9.11. to give opinions on whether the official registration of financial and industrial groups, terms and conditions of their establishment and amendments in the composition of group participants meet the requirements of the antitrust (competition) laws;

9.12. to exercise control over compliance with antitrust (competition) laws in regard to public procurement;

9.13. to take appropriate actions in case agreements and contracts entered into between business entities, executive bodies and municipalities on the one side, and foreign individuals and legal entities, on the other side, are leading to the restriction of competition on the domestic market;

9.14. to exercise control over the activities of natural monopolies, in accordance with the applicable laws, and to take actions, in a prescribed manner, in order to prevent activities that can damage the interests of consumers and negatively affect competition;

9.15. to define means of regulation to be applied to every natural monopoly and to ensure their implementation;

9.16. to give permission to carry out state-controlled activities of natural monopolies, as specified in the applicable laws;

9.17. to enter in the state register those natural monopolies, financial and industrial groups and enterprises whose share on the commodity market exceeds the limit specified in the applicable laws;

9.18. to take actions, in a prescribed manner, in order to prevent deliberate price manipulation, price discrimination and dumping;

9.19. to conduct monitoring on every commodity market in order to prevent restrictive practices, restriction of competition, market division or arranged prices that lead to price increases;

9.20. to take actions, in accordance with the applicable laws, in order to transfer the funds obtained by business entities as a result of violations of antitrust (competition) laws to the state budget;

9.21. to exercise official control over the promotional activities of individuals and legal entities, to prevent advertisements that do not meet the requirements set in the applicable laws, including those that mislead consumers and contain inaccurate information, and to take other actions in this area, within its powers;

9.22. to protect consumer rights, to exercise official control over compliance of trade, catering, public and other services with the current norms and regulations, as well as over the quality and safety of goods (works, services) offered on the consumer market, and to take actions, in a manner prescribed by law, in order to prevent violations of law in this area, and, in case of necessity, to provide information concerning the elimination of detected faults and deficiencies to appropriate state agencies;

9.23. to take actions, in a manner prescribed by law, in order to prevent the sale (provision) of goods (works, services) that are expired, prohibited, counterfeit, of unclear origin, unsuitable for use, do not meet the standards or other requirements set in regulatory documents, not certified (in case certification is required by law) or pose danger to human life, health or property, as well as to the environment, and in regard to persons that are engaged in the sale (provision) of such goods (works, services);

9.24. to combat counterfeiting, in a manner prescribed by law, in order to protect consumer rights and prevent unfair competition;

9.25. to take actions, in a manner prescribed by law, in order to prevent the sale of goods whose manufacture or sale is prohibited, mixing such goods during storage or sale, and violations regarding the exchange or returning of sold goods;

9.26. to take actions, in a manner prescribed by law, to prevent consumer fraud regarding weight (size), price, calculations, provision of incomplete and inaccurate

information (quality, quantity) concerning the goods (works and services), or non-compliance with the terms of agreements entered into with consumers in regard to warranty covering sale (provision) and goods (works and services);

9.27. to take actions, in a manner prescribed by law, in order to prevent the use of trademarks and brands belonging to others, illegal use of the product's origin's name or names that are similar to those of similar products, and, if necessary, to present reports to appropriate state agencies in regard to the elimination of all faults and deficiencies;

9.28. to exercise control, within its powers, over the prices of goods (works, services) that are regulated by the state, at the time of their sale (provision);

9.29. to take actions, in a manner prescribed by law, in order to amend or supersede terms that restrict consumer rights;

9.30. to take actions, in a manner prescribed by law, in order to prevent the use of unacceptable advertisement tools by sellers, manufacturers and advertisers, with the purpose of deceive consumers, and to issue binding directives to appropriate organizations in order to stop the distribution of such advertisement;

9.31. to develop and present recommendations, within its powers, in order to increase the quality of the sold goods (works, services), and to expand their range;

9.32. to exercise, within its powers, official control over the quality and safety of grain products, and to ensure that their quality is assessed in specialized laboratories using a single method;

9.33. to conduct expert examinations to determine goods' country of origin, with the assistance of subordinated legal entities, and to issue documents containing the results of such examinations (origin certificate);

9.34. to hold expert examinations at the enterprises engaged in the production and processing of food products exported to European Union countries, in accordance with infrastructure and product safety criteria, to issue confirmation code numbers to the enterprises and documents containing expert examination results (including quality certificate) - to exporters, to implement control over the quality of such products, to keep a register of such producing and processing enterprises and to ensure the meeting of requirements set by the European Union in this area;

9.35. to cooperate with appropriate agencies In order to ensure compliance with the requirements (standards, safety norms, quality control systems, packing procedures, food product transportation and storage procedures, environmental, veterinary, sanitary and phytosanitary norms as well as methods ensuring compliance with the norms applied to goods, works and services) regarding the quality and safety of goods (works and services);

9.36. to take necessary actions in order to educate consumers and to train specialists in such areas as trade, catering, as well as public and other services;

9.37. to analyse information regarding the investigation, monitoring, exceptions and evaluations carried out as part of its activities, as well as their results, and to establish a unified information database;

9.38. to send appropriate documents to law enforcement agencies if the actions of those persons that violate the law are criminal offenses;

9.39. to examine, in a manner prescribed by law, the complaints and recommendations of consumers regarding the regulations of trade, catering and other services, as well as the quality and safety of consumer goods (services);

9.40. to design appropriate plans regarding food control management at trade outlets and catering facilities, with the assistance of subordinated legal entities, to ensure their implementation, and to provide technical and consulting assistance for the renovation and technical reconstruction of such outlets and facilities;

9.41. to ensure the efficient spending of budget funds, loans, grants and other funds allocated for the arrangement of the Service's operations;

9.42. to ensure the performance of obligations under the international agreement to which the Azerbaijan Republic is a party;

9.43. to take required actions to protect secrets of state and secrecy order and to assume security measure related to its activities;

9.44. to examine, within its powers, cases of administrative offenses concerning violations of law, and to impose sanctions against those responsible, in the prescribed manner;

9.45. to inform the general public of its activities, to create a web-site, and place on that web-site public information that it possesses and that is listed in the applicable laws and to ensure that this information is regularly updated;

9.46. to ensure staff training in its areas of activities, and to take actions to further the development of specialists and improving of their qualifications;

9.47. to take actions, within its powers, in order to improve the structure and activities of the Service;

9.48. to examine incoming applications, complaints and recommendations and to take appropriate actions, as prescribed by law;

9.49. to perform other duties specified in the applicable laws and regulations.

IV. The Service's rights

10. The Service shall have the following rights in order to perform its duties:

10.1. to develop and participate in the development of draft laws related to its activities;

10.2. to give opinions and recommendations concerning legal and regulatory documents related to economic and other aspects of its activities;

10.3. to present recommendations concerning the Azerbaijan Republic's participation in international agreements related to its area of activities;

10.4. to request, in order to perform its duties and functions, information (documents) from state agencies and municipalities, business entities, natural monopolies and high-ranking officials, to receive such information and documents, as well as oral or written explanations concerning violations of the antitrust (competition), advertisement and consumer protection laws;

10.5. to cooperate, as prescribed by law, with international organizations and appropriate state agencies (bodies) of foreign countries, and to learn the experience of foreign countries regarding antitrust (competition) policy, consumer rights protection and advertisement regulation;

10.6. to prepare analytical materials, give opinions, conduct analyses, prepare summaries and carry out research regarding its activities;

10.7. to hold investigations, conduct monitoring, inspections and expert examinations, as well as to assume other control measures, in a manner prescribed by law and in order to exercise control over compliance with antitrust (competition), advertisement and consumer protection laws, as well as with the norms and regulations regarding consumer trade, catering, consumer and other services, and over the quality and safety of consumer goods (works, services), to draw up reports on any violations found, to request that the violations be eliminated, and to issue binding directives and official warnings;

10.8. to receive and analyse annual reports, investment projects, other documents and information from natural monopolies in a manner prescribed by law;

10.9. to examine violations of antitrust laws, to adopt resolutions and issue binding directives concerning the prevention of such violations and/or elimination of their consequences, imposing financial sanctions and taking other disciplinary actions specified in the antitrust laws;

10.10. to issue resolutions, where possible, on the mandatory administrative, technological or territorial division of those business entities and financial organizations that abuse their exclusive position, use restrictive business practices, limit competition and damage the interests of consumers by their activities, to set the division period and, in case such division is not possible, to provide recommendations concerning actions required to limit their restrictive business practices;

10.11. in cases resolutions (directives) adopted in regard to the elimination of violations of antitrust laws, as well as laws on advertisement and consumer rights protection are not implemented, to apply to court to ensure their compulsory implementation and to transfer funds from the imposed financial sanctions to the state budget;

10.12. to request information from appropriate state agencies and municipalities, as well as from business entities, in order to enter in or remove from the state register natural monopolies, financial and industrial groups and those business entities whose market share is higher than the limit specified in the applicable laws;

10.13. in case a natural monopoly or a state monopoly does not comply with the independent regulation system specified in the applicable laws, to issue, with the

purpose of preventing and eliminating competition violations, binding directives (resolutions) to such entities regarding prices, production capacities, and service terms and to assume measures specified in the antitrust laws;

10.14. to present reports to executive bodies that issued the licenses of those business entities that violate antitrust laws and consumer right protection laws, in order to take legal actions regarding such licenses;

10.15. to send binding directives (resolutions) or other lending institutions in order to transfer the funds to the state budget from the financial sanctions imposed on those entities that violate antitrust (competition) laws and fail to make the required payment as prescribed and in a timely manner;

10.16. to apply to courts, in a manner prescribed by law, to ensure the transfer of funds to the state budget from the financial sanctions imposed on those entities that violate antitrust (competition) laws by blocking their settlement, current and other accounts;

10.17. to request action reports and, if necessary, other documents and information, including the investment projects of natural monopolies, from financial and industrial groups, natural monopolies and monopoly enterprises;

10.18. to request all information for advertisement producers, customers, distributors and agencies, to issue warning in case of violations of the applicable laws, and to adopt binding directives (resolutions) in order to eliminate misleading advertisement and other violations;

10.19. to have free access the sale, service, storage and other areas of legal entities and individuals, regardless of the entity type, in order to exercise official control over compliance with antitrust (competition) laws and consumer rights protection laws, including free access to the production areas, to request required information and documents, and to inspect and, if necessary, to obtain consumer goods that are being sold or planned to be sold, in order to prevent violation of antitrust (competition) laws and in accordance with the applicable laws and regulations;

10.20. to obtain samples of goods, on the condition of keeping appropriate records, to evaluate the compliance of their quality and safety with the requirements set by regulatory documents, to take appropriate actions specified in the applicable laws in regard to those products that do not meet such requirements, and, if necessary, to present reports to appropriate state agencies in regard to the elimination of all faults and deficiencies;

10.21. to issue, when violations of the requirements regarding goods (works, services) set in regulatory documents and statutes are found, warnings and notifications to persons responsible for such violations and, if necessary, to present reports to the appropriate state agencies in regard to the reexamination of their certifications and licenses;

10.22. to adopt resolutions in a manner prescribed by law, on the termination of the production of goods (works, services) that are expired, prohibited, counterfeit, of unclear origin, unsuitable for use, do not meet the standards or other requirements set in regulatory documents, not certified (in case certification is required by law) or pose danger to human life, health or property, as well as to the environment, in order to stop the sale (distribution) of batches, remove them from the turnover (sale) and to ensure compliance with antitrust (competition) laws and prevent unfair competition;

10.23. to check compliance with laws regarding grain growing by those business entities that are engaged in grain growing, to conduct monitoring, investigations and examinations, to adopt resolutions based on the results of such works, in accordance with the applicable laws, to issue binding directives and to take other actions specified in the applicable laws;

10.24. to adopt resolutions, in accordance with the applicable laws, concerning the use of inferior quality goods, decontamination of such goods, their reprocessing or disposal, and to exercise control over the implementation of such resolutions;

10.25. to apply to courts and participate in court hearings in regard to matters concerning the performance of its duties and exercising its rights, in a manner prescribed by law;

10.26. to take actions specified in the applicable laws against persons who fail to carry out compulsory directives regarding violation of requirements set by concerning antitrust (competition), advertisement and consumer protection laws and elimination of such violations;

10.27. to provide laboratory and consulting services related to its activities and in a manner prescribed by law;

10.28. to enlist the services of independent experts and specialists, in a manner prescribed by law;

10.29. to cooperate with other law enforcement and state agencies in the performance of its duties;

10.30. to have an official periodical publication and to publish special bulletins and other papers;

10.31. to exercise other rights specified in the applicable laws.

V. Organization of the Service's activities

11.1. The Service shall be led by Head of Service appointed and discharged by the Minister of Economic Development of the Azerbaijan Republic.

11.2. The Head of the Service shall be personally accountable for the performance of duties and functions entrusted to the Service.

11.3. The Head of the Service shall have three deputies appointed and discharged by the Minister of Economic Development of the Azerbaijan Republic.

12. The Head of the Service shall:

12.1. arrange and manage the activities of the Service;

12.2. distribute duties among Deputy Head of the Service;

12.3. present the structure of the Service's regional units, staff schedule and budget-limited cost sheet, within the limits set by the salary fund and staff size, to the Ministry of Economic Development of the Azerbaijan Republic for approval;

12.4. appoint and discharge the Service's staff members, with the exception of Deputy Heads of the Service and heads of regional units, as well as, within their powers, the executives of subordinated legal entities, and arrange all incentives and disciplinary actions against them;

12.5. present to the Ministry of Economic Development of the Azerbaijan Republic reports on the spending of funds allocated to the Service from the state budget;

12.6. issue orders and directives to subordinate units, within their powers;

12.7. represent, without any power of attorney, the Service in all relations with state agencies and municipalities, as well as with commercial and non-commercial organizations and individuals, as well as in courts;

12.8. regularly inform the Minister of Economic Development of the Azerbaijan Republic of the activities carried out by the Service;

12.9. exercise other powers specified in the applicable laws of the Azerbaijan Republic.

13. Regional units of the Service shall be established and closed down by the Ministry of Economic Development, within the salary and staff size limits.